



Medicaid 101

Senate Health Care Committee
November 14, 2016

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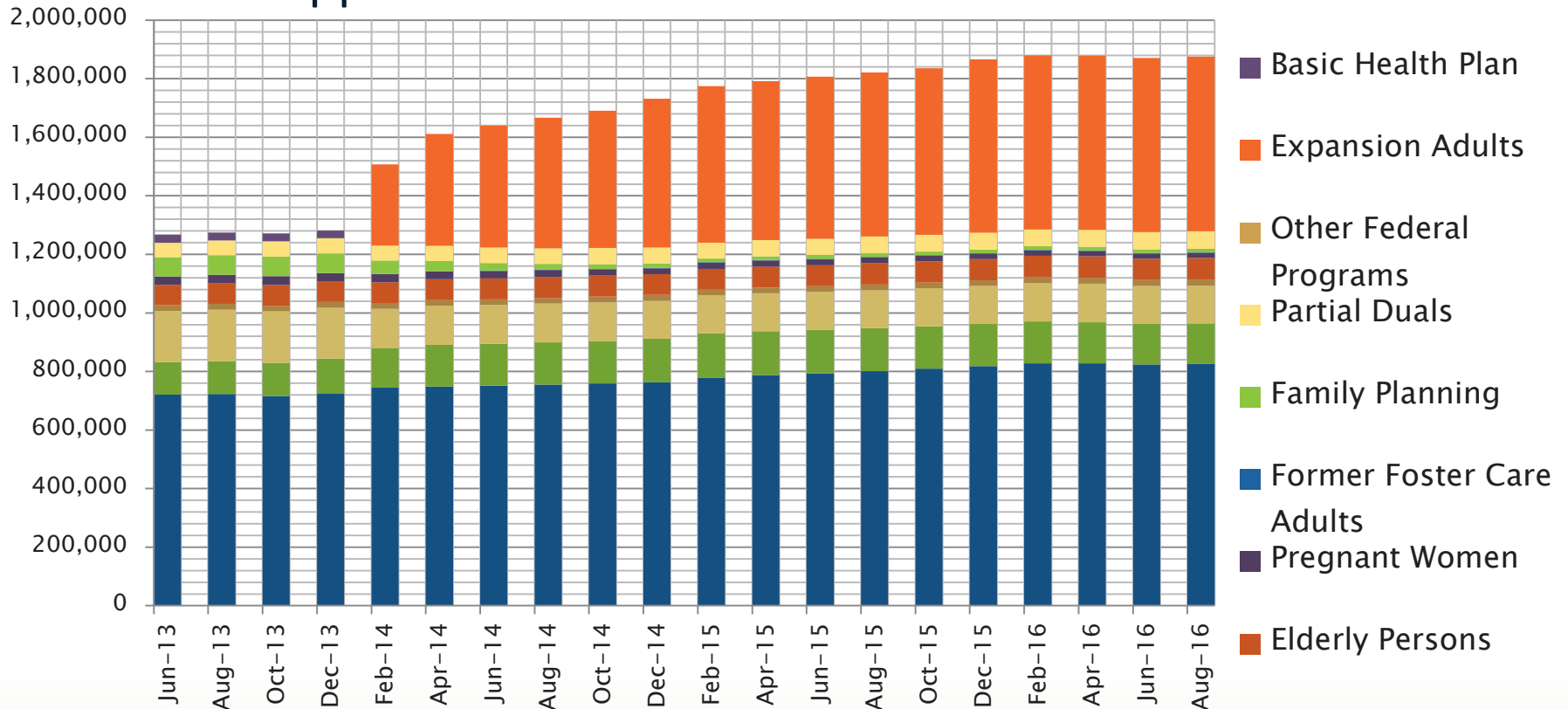
Medicaid Basics

Washington State Medicaid Program

- Purchases health care for 1.9 million people
- Most – 1.55 million – receive care through five MCOs
- \$8 billion annual spend
- Populations served include children, pregnant women, disabled adults, elderly persons, former foster care adults, and adults covered through Medicaid expansion

Medicaid Expansion

Since June 2013, Washington State has added 590,000 new adults to Apple Health.



Benefits

- Physicians
 - Primary Care and Specialists
 - MDs, ARNPs and other licensed providers
 - Rural health clinics and FQHCs
- Hospitals, Birth Centers, Nursing Homes
- Prescriptions
- Laboratory, x-ray, home health... services
- Family planning, nurse midwife, and birth centers
- Transportation to medical care

Preventive Services

- Well-child visits and annual physical exams for adults
- Immunizations
- Initial health screens and assessments
- Nurse advice lines
- Disease management programs
- Transitional services for those moving between care settings
- Weight/BMI assessments
- Lead screening for children
- Breast and cervical cancer screenings for women

Steps to Improve Utilization of Preventive Services

- Value-based Purchasing
- External Quality Reviews
- TEAMonitor
- Performance Improvement Projects (PIPs)
- Corrective Action

New benefits – Effective 2014

Benefits

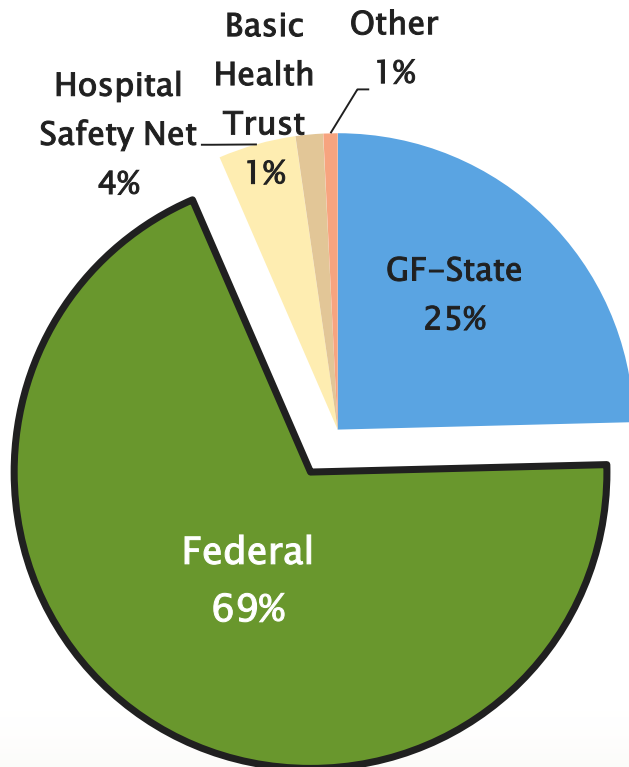
- Dental for adults
- Shingles vaccinations for clients over 60 years
- Screening and treatment referral for substance abuse
- Oral contraceptives filled for 12 months
- No limits on number of mental health visits
- Habilitative services for new adult population

Provider Types

- Naturopathic physicians
- Expanded eligible mental health provider types

Funding Sources

The majority of HCA's budget is funded through federal Medicaid and Children's Health Insurance Program grants.

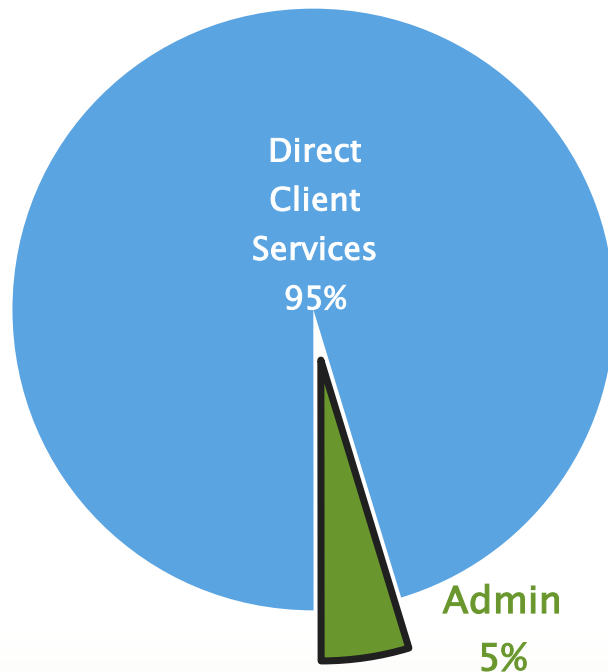


2015-17 Biennium

Federal portion	\$11.2 billion	69%
State portion	\$ 4.0 billion	25%
All other funding	\$ 1.1 billion	6%
Total Medicaid budget	\$16.3 billion	100%

Direct Client Services and Agency Administration

Only 5% of HCA's Medicaid budget supports agency administration, 83% of which is federally funded.



2015-17 Biennium

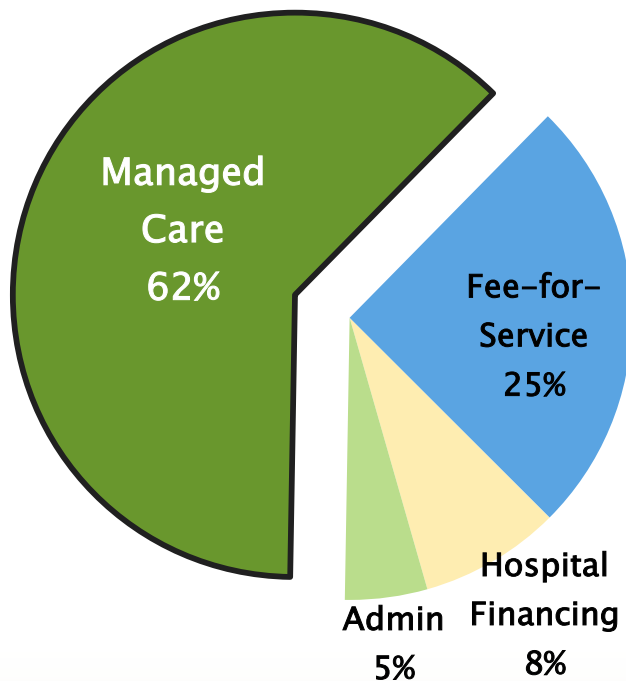
Administration	\$ 0.8 billion	5%
Direct client services	\$ 15.5 billion	95%
Total Medicaid budget	\$16.3 billion	100%

Source: Agency Financial Reporting System (AFRS) Allotments

Managed Care and Fee-for-Service

Over 62% of HCA's Medicaid budget supports managed care costs.

2015-17 Biennium



Managed care	\$10.1 billion	62%
Fee-for-service	\$ 4.1 billion	25%
Hospital financing	\$ 1.3 billion	8%
Administration	\$ 0.8 billion	5%
Total Medicaid budget	\$16.3 billion	100%

Sources: February 2016 Medical Assistance Forecast
February 2016 Forecast-to-Budget
Agency Financial Reporting System (AFRS) Allotments

Waiver Authorities

Types of Waiver Authority

1915(b)	Managed care waiver
1915(c)	Home and community-based care
1915(k)	Community first choice
1115	Research and demonstration project

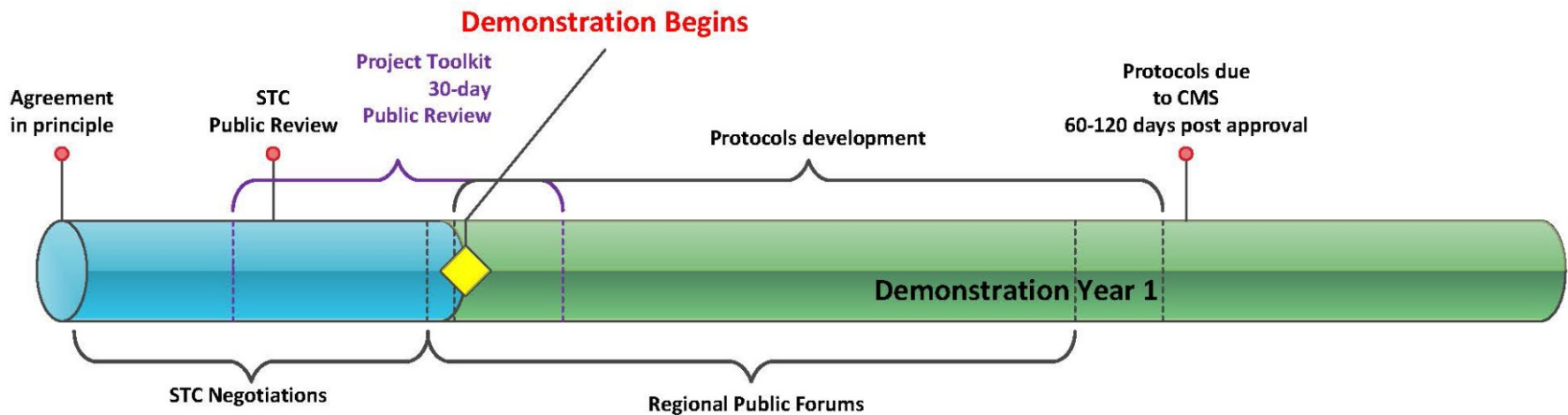
Section 1115 Medicaid Transformation Waiver

- Will allow us to test new and innovative approaches to providing health coverage and care
- 5-year demonstration project
- Allows up to \$1.5 billion of federal investment across three initiatives
- Currently in negotiation process with CMS for Special Terms and Conditions (STCs)

Medicaid Transformation Demonstration Initiatives

- Transformation through Accountable Communities of Health
 - Up to \$1.125 billion eligible for incentive payments
 - Regional projects aimed at transforming the Medicaid delivery system to serve the whole person
- Long-term Services and Supports
 - Approximately \$175 million for two new benefits:
 - Medicaid Alternative Care (MAC)
 - Tailored Supports for Older Adults (TSOA)
- Supportive Housing and Supported Employment
 - Approximately \$200 million
 - Providing our most vulnerable populations with targeted supports to get and stay healthy

Medicaid Transformation Demonstration Pre-Implementation Activities



Medicaid Transformation Demonstration – Financing Strategies

Transformation Investment Pools

The State will use waiver dollars to create two pools of funds: one for the Delivery System Reform Incentive Payment (DSRIP) program and one for other state priorities.

DSRIP

Investment in Medicaid delivery system through funding implementation of state and regionally defined transformation activities

Other State Priorities

Funding for state-administered benefit like programs focusing on LTSSs, improving clinical-community linkages (e.g. supported housing and supported employment)

Designated State Health Program (DSHP)

- State or locally funded health care programs which serve low-income and uninsured people, and are not otherwise eligible for federal matching funds.
- CMS must approve designation and use of programs as DSHP.
- Programs leveraged as a DSHP will continue to operate just as they would if they were not a designated DSHP.

Intergovernmental Transfer (IGT)

- IGTs are transfers of public funds between governmental entities.
Examples: from a county or a public hospital to the State.
- The source of funding for each IGT that is proposed by a governmental entity must be reviewed to ensure that it meets state and federal requirements for permissible transfers.
- Public/governmental entities that are eligible, willing and financially able to contribute funds through an IGT will partner with regional ACHs to develop transformation project plans.

Questions?

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